



ARIZONA BOARD OF APPRAISAL

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May 21, 2015

Ms. Leslie J. Skora
6662 W. Shannon Street
Chandler, AZ 85226

Re: Board of Appraisal Case No. 3782

Dear Ms. Skora,

As you know, the Board received a complaint against you for the appraisal you performed on a single family residence located at 5021 E. Calle Del Norte, Phoenix, AZ with an effective date of January 22, 2015.

At its April 17, 2015, monthly meeting, the Board of Appraisal met to discuss this matter. Despite having been properly noticed, you did not appear. In addressing this matter, the Board reviewed the complaint, your response thereto, the appraisal, the supporting workfile, and the Investigative Review.

The Board concluded that you used a comparable sale in an inferior location without adequate analysis or adjustment. You used a Comparable Sale (No. 2) from outside of Arcadia in an effort to bracket the subject's site size. However, there is no discussion or analysis of location difference. A search of ARMLS reflects median selling prices in Arcadia over the prior 12 months of \$300/SF. A search of the immediate neighborhood surrounding Comparable 2 reflects median selling prices of \$248/SF. A location adjustment was warranted. Moreover, the subject includes a detached 900 SF guest house. You used three sales that are reported to have guest houses (Comparables 1, 4, and 7). However, a review of ARMLS data and conversations with Realtors revealed that two of those sales (Comparables 1 and 7) have guest suites, not detached houses. The square footage of the guest quarters was included in the GLA and, by reporting the guest quarters as a separate line item, this livable area is double counted. Additionally, adjustments for GLA are applied at \$65/SF. There is no data or support for this adjustment in the appraisal or the workfile. Given the selling prices of the comparable sales of approximately \$300-\$500/SF, this adjustment is unsupported. The cost approach reflects that construction costs for the main house and the guest house are the same; however, the adjustment applied for the guest house is applied at \$22/SF. There is no data or support for this adjustment. Further, larger adjustments are applied to Comparables 4 and 5 for age and design but there is no data or support for these adjustments in the appraisal or workfile. With respect to Comparable No. 4, you stated that you

viewed a fence around the property and a builder's sign but that it was not a tear down. However, the buyer's agent confirmed the home was to be torn down and replace with a brand new home; as such, the sale represents land value. Based upon the preceding information the Board concluded that you failed to analyze location differences, failed to adequately verify sales data, misrepresented pertinent information about the comparable sales and failed to appropriate support adjustments, thereby failing to employ recognized appraisal methodology.

The Board finds that your appraisal development and reporting violate the following standards of the Uniform Standards of Professional Appraisal Practice, the 2014-2015 Edition:

Standards Rule 1-1(a), (b) and (c); Standards Rule 1-2(h); Standards Rule 1-4(a); Standards Rule 2-1(a) and (b); Standards Rule 2-2(a)(vii) and (viii); the Scope of Work Rule and the Competency Rule

Pursuant to Arizona Administrative Code (A.A.C.) R4-46-301 and the Board's Substantive Policy Statement #1, the Board considers these violations to amount to a Level II Violation. In lieu of further proceedings, and pursuant to Arizona Revised Statutes (A.R.S.) §32-3632(B) and A.A.C. R4-46-301(C), the Board is willing to resolve this matter with a letter of due diligence, if you agree to remedy these violations through exercising greater due diligence in the future and if you complete a **seven (7) hour course in Complex Properties and a seven (7) hour course in the Sales Comparison Approach**. The education may not be used toward your continuing education requirements for renewal during your next licensing period. The education must be completed within six (6) months of the date that appears at the top of this letter. Proof of completion of the coursework must be provided to the Board within three (3) weeks of completing the coursework.

A letter of due diligence is a disciplinary action and is a matter of public record in your Board file and may be used in any future disciplinary proceedings. By signing below, you acknowledge that you have read and understand this letter of due diligence. You have the right to consult with legal counsel regarding this matter, and have done so or choose not to do so.

By signing this letter of due diligence, you are voluntarily relinquishing your right to an informal hearing, formal hearing, and judicial review in state or federal court with regard to the matter herein.

Upon signing this letter of due diligence and returning it to the Board, you may not revoke acceptance of this letter of due diligence. In addition, you may not make any modifications to this letter of due diligence. Any modifications to this

letter of due diligence are ineffective and void unless mutually approved by you and the Board.

If any part of this letter of due diligence is later declared void or otherwise unenforceable, the remainder of the letter of due diligence in its entirety shall remain in force and effect.

If you fail to comply with the terms of this letter of due diligence, the Board may properly institute proceedings for noncompliance, which may result in suspension, revocation, or other disciplinary and/or remedial actions. By signing this letter of due diligence you are agreeing that any violation of this letter of due diligence is a violation of A.R.S. § 32-3631(A)(8), which is willfully disregarding or violating any of the provisions of the Board's statutes or the rules of the Board for the administration and enforcement of its statutes.

If you agree to accept this letter of due diligence, please execute this document by your signature below. Please return the original signed document to the Board at 15 South 15th Avenue, Ste. 103A, Phoenix, Arizona 85007, on or before **June 19, 2015**. If you do not return this original document on or before the specified date, the Board may conduct further proceedings, including but not limited to a formal hearing before the Office of Administrative Hearings.

Sincerely,




Debra Rudd
Executive Director

ACKNOWLEDGED AND AGREED



Leslie J. Skora, Respondent



Date

c: Jeanne M. Galvin, Assistant Attorney General